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SUBJECT: UNDER SECRETARY BURNS' APRIL 24, 2009

CONVERSATION WITH ZIMBABWE FINANCE MINISTER TENDAI BITI

Classified By: AF Acting A/S Phillip Carter, Reasons: 1.5 B & D.

¶1. (U) April 24, 2009; 12:15 pm; State Department.

¶2. (C) Summary: Finance Minister Biti, who was in Washington for meetings with the World Bank and IMF, had a courtesy call with U/S Burns on April 24. In their discussion of the transition government, Biti noted that much work remains to be done by the Government of Zimbabwe (GOZ) in the areas of rule of law, property rights, and freedom of press. He stressed, however, that Zimbabwe is in transition, and that life is improving for the people. U/S Burns recognized the challenges facing Biti and members of the opposition Movement for Democratic Change (MDC) and thanked Biti for his dedication. Burns reaffirmed that USG funding decisions will depend on progress on democracy and rule of law. End Summary.

¶3. (C) U/S Burns recognized the challenges facing Biti and the transitional government and stressed our desire to see progress on rule of law. He noted the skepticism in Washington regarding the commitment of President Robert Mugabe and his ZANU-PF party to genuine reform. In response, Biti acknowledged two major sets of outstanding issues (established in the September 2008 Global Political Agreement, GPA):

--Equitable and shared (ZANU-PF and MDC) appointment of key government officials, including ambassadors, governors, and permanent secretaries of ministries; and replacement of the Reserve Bank of Zimbabwe (RBZ) Governor and Attorney General; and

--Follow-through on needed reforms, including modification of draconian media and association laws and concrete steps on drafting a new constitution.

Biti recognized three "toxic" issues casting a cloud over the transition and masking some of the progress made to date. These toxic issues include recurring violent farm seizures, continued politicized detentions, and the failure to appoint MDC Treasury Roy Bennett as Deputy Agriculture Minister.

¶4. (C) Biti stressed that Zimbabwe is genuinely in transition, with relative peace and stability and far less violence than in recent memory. "Things are better, doors have been opened," he opined. He called attention to Finance Ministry progress on reigning in hyperinflation, initial reforms at the RBZ, and operating from a realistic budget. He admitted to understanding U.S. reluctance to offer new assistance (beyond humanitarian), given concerns over money falling into the hands of Mugabe and his cronies, specifically the hard-line military chiefs who strongly oppose the transitional government. Recalling the case of the Solidarity movement in Poland, Biti suggested it would be cheaper for the U.S. and other donors to provide resources to Zimbabwe now, in order to guarantee a successful transitional government, rather than to rescue a country that could fall back into economic collapse.

¶5. (C) Regarding inter-party dialogue and co-governance, Biti noted that Mugabe's public tone has been largely conciliatory in recent weeks. He stated that some progress

had been attained in the April 21 and 23 Mugabe-Morgan Tsvangirai meetings with GPA negotiators. Biti referred to a recent meeting he had with Mugabe in which the latter was cooperative and acted as if a "bosom buddy." But he worried about continuing challenges to the transitional government and reform by ZANU-PF hardliners led by Defense Minister Emmerson Mnangagwa, on whom Biti laid blame for ongoing land seizures. "They (the service chiefs) have killed for him," Biti said, "and they have to kill this thing (the transitional government)."

¶6. (C) U/S Burns closed the meeting by expressing our strong desire to be able to move beyond humanitarian assistance if we had proof of concrete actions and progress by the GOZ. Biti pledged to do a better job at publicizing progress, including via the PM's new website.

¶7. (SBU) Participants:

U.S.

Under Secretary Burns;
Sarah Takats, P;
Brian Walch, AF/S (notetaker).

Zimbabwe

Tendai Biti, Minister of Finance;
Eria Hamandishe, Advisor.

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